

FISCAL NOTE

Bill #: SB0063 **Title:** Transfer funds to offset school district reappropriation rather than reserve

Primary Sponsor: Stapleton, C **Status:** As Introduced

| | | | |
|-------------------|------|---------------------------------|------|
| Sponsor signature | Date | Chuck Swysgood, Budget Director | Date |
|-------------------|------|---------------------------------|------|

Fiscal Summary

FY 2003 Difference

Expenditures:

| | |
|-----------------------|-----------|
| General Fund | \$752,513 |
| State Special Revenue | \$752,513 |

Revenue:

| | |
|-----------------------|-----------|
| State Special Revenue | \$752,513 |
|-----------------------|-----------|

| | |
|--|--------------------|
| Net Impact on General Fund Balance: | (\$752,513) |
|--|--------------------|

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. Re-appropriating the general fund balance lowers a district's BASE mill levy and as a result, the state guaranteed tax base subsidy paid for those mills. For school budget year FY 2001 only one district, Billings Public High Schools, mistakenly re-appropriated its general fund balance rather than placing the balance in an operating reserve.
2. If SB 63 passes, Billings Public High Schools will apply to the Office of Public Instruction and qualify under the provisions of SB 63 for an additional \$752,513 in state guaranteed tax base aid.
3. The amount of \$752,513 will be transferred from the state general fund to the state special revenue fund guarantee account, and then statutorily appropriated in that account to the Office of Public Instruction for payment to Billings Public High Schools in Fiscal Year 2003.
4. Billings Public High School's general fund operating reserve on July 1, 2002 was less than the maximum 10% allowed by law. The district will place the additional state aid received under SB 63 in its general fund operating reserve at fiscal year end 2003.

Fiscal Note Request SB0063, As Introduced
(continued)

FISCAL IMPACT:

| | FY 2003 <u>Difference</u> |
|-----|------------------------------|
| FTE | 0.00 |

Expenditures:

| | |
|------------------|-------------|
| Transfers | \$752,513 |
| Local Assistance | \$752,513 |
| TOTAL | \$1,505,026 |

Funding of Expenditures:

| | |
|----------------------------|-------------|
| General Fund (01) | \$752,513 |
| State Special Revenue (02) | \$752,513 |
| TOTAL | \$1,505,026 |

Revenues:

| | |
|----------------------------|-----------|
| General Fund (01) | \$0 |
| State Special Revenue (02) | \$752,513 |

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

| | |
|----------------------------|-------------|
| General Fund (01) | (\$752,513) |
| State Special Revenue (02) | \$0 |